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SENATE

{ REPORT  
No. 2642 }

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ADJUSTING THE RATES OF COMPENSATION OF THE HEADS OF  
EXECUTIVE DEPARTMENTS AND OF CERTAIN OTHER OFFICIALS  
OF THE FEDERAL GOVERNMENT AND FOR OTHER PURPOSES

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JULY 18 (legislative day, JULY 16), 1956.—Ordered to be printed

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Mr. JOHNSTON of South Carolina, from the Committee on Post Office  
and Civil Service, submitted the following

### R E P O R T

[To accompany H. R. 7619]

The Committee on Post Office and Civil Service, to whom was referred the bill (H. R. 7619) to adjust the rates of compensation of the heads of the executive departments and of certain other officials of the Federal Government, and for other purposes, report favorably thereon with an amendment, and recommend that the bill as amended, do pass.

#### AMENDMENT

The committee amendment strikes out all of the bill after the enacting clause and substitutes therefor a new bill which appears in the reported bill in italic type.

Title I of the bill as reported establishes new rates of basic compensation for heads of executive departments and other Federal officials.

Title II of the bill as reported relates to the organization of the Civil Service Commission.

Title III of the bill as reported relates to the establishment and classification of a variety of positions in the executive departments and contains a section relating to the affairs of the Post Office Department.

Title IV of the bill as reported relates to civil-service retirement.

Title V authorizes the establishment of additional scientific and professional positions in the Department of Defense, National Security Agency, National Advisory Committee for Aeronautics, Department of Interior and the Department of Commerce.

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EXPLANATION OF BILL AS REPORTED

TITLE I--BASIC COMPENSATION FOR HEADS OF EXECUTIVE  
DEPARTMENTS AND OTHER FEDERAL OFFICIALS

Section 101 provides that this title may be cited as "Federal Executive Pay Act of 1956".

Section 102 establishes the rate of \$25,000 for Cabinet positions.

Section 103 (a) establishes the rate of \$22,500 for a small number of positions, the incumbents of which participate in Cabinet meetings or have other unusual responsibility.

Section 103 (b) establishes the rate of \$22,000 for each of the three Secretaries of the armed services.

Section 104 establishes the rate of \$21,000 for under secretaries and positions of comparable responsibility.

Section 105 establishes the rate of \$20,500 for the chairman of boards and commissions and positions of comparable responsibility.

Section 106 (a) establishes the rate of \$20,000 for assistant secretaries, members of boards and commissions and other positions of comparable responsibility.

Section 106 (b) establishes the rate of \$19,000 for two groups of commissioners.

Section 107 establishes the rate of \$17,500 for certain bureau heads, and so forth.

Section 108 provides that, unless otherwise specifically provided, the chairmen or heads of each independent board or commission shall receive \$500 more than the rate for the other members of such boards or commissions.

Section 109 establishes the rate of compensation of immediate staff assistants in the White House as follows: 2 at not to exceed \$22,500; 3 at not to exceed \$21,000; 7 at not to exceed \$20,000; and 3 at not to exceed \$17,500. The latter 3 positions were added by the committee to permit the President to adjust the salaries of 2 deputy assistants to the Deputy Assistant to the President and of 1 secretary to the Cabinet.

Section 110 raises the ceiling on 6 top positions in the International Cooperation Administration to \$19,000.

Section 111 raises the ceiling on salaries which may be paid to representatives (5) and alternates (5) to UNESCO to not to exceed \$15,000.

Section 112 raises the ceiling on the salaries of certain top positions established under the Mutual Security Act of 1954.

Section 113 adjusts the rates of pay of grades GS-17 and 18 of the Classification Act.

Section 114 adjusts the rates of pay of the three highest grades of the postal field service schedule contained in Public Law 68, 84th Congress.

Section 115 raises the salaries of the Chief Medical Director, the Deputy Chief Medical Director, and eight assistant chief medical directors in the Department of Medicine and Surgery, Veterans' Administration, from \$16,800, \$15,800 and \$14,800 to \$17,800, \$16,800 and \$15,800, respectively.

Section 116 amends several acts of Congress in which, since 1947, Congress has authorized a salary range of from \$10,000 to \$15,000.

for a limited number of professional and scientific positions in research and development activities of specified agencies. The Civil Service Commission must approve in advance the salary rate to be established for each position (except those in Agriculture) and any subsequent changes, within the limits specified by law. The new salary range is \$12,500 to \$19,000. The section also repeals recently enacted law under which the ceiling on certain of these positions was fixed at \$20,000.

Section 117 provides that any employees referred to under section 116 who are being paid less than \$12,500 shall be increased to such rate.

Section 118 increases the compensation of the positions referred to in section 116 that are in the Department of Agriculture to correspond with the increases accorded similar positions in other agencies.

Section 119 provides for an adjustment in compensation of one staff position of each Senate committee.

Section 120 raises the compensation of the Legislative Counsel of the Senate.

Section 121 provides that the changes shall take effect at the beginning of the first pay period commencing after June 30, 1956.

#### TITLE II—RELATING TO ORGANIZATION OF CIVIL SERVICE COMMISSION

Section 201 amends the first section of the act entitled "An act to regulate and improve the civil service of the United States," approved January 16, 1883, as amended (5 U. S. C., sec. 632) to provide:

(1) That the term of office of each Civil Service Commissioner shall be 6 years except that (a) the terms of the present three Commissioners shall be 2, 4, and 6 years, respectively, and (b) any Commissioner appointed to fill a vacancy shall be appointed for the remainder of the term, and (c) upon the expiration of his term, a Commissioner may continue to serve until his successor is appointed and qualified.

(2) That the President shall, from time to time, designate a Chairman and Vice Chairman of the Commission who shall, in order, be responsible for administration of the functions of the Civil Service Commission. In the absence of both the Chairman and the Vice Chairman, the third Commissioner becomes responsible, and in the absence of all three Commissioners, the Executive Director is responsible except that at no time does the Executive Director sit or act as a member of the Commission.

Section 202 provides that title II shall take effect on the date of enactment.

#### TITLE III—MISCELLANEOUS PROVISIONS

Section 301 provides for the appointment by the President, by and with the advice and consent of the Senate, of a General Counsel in the Post Office Department, Department of Agriculture, Department of Health, Education, and Welfare, Department of the Navy, Department of the Army, and Department of the Air Force.

It is provided, further, that existing Offices of General Counsel in these Departments and that of Solicitor in the Post Office Department are to be abolished upon appointment and qualification of the general counsels provided for under this section.

Section 302 authorizes the allocation of four positions in the Administrative Office of the United States Courts to grade 18 of the general schedule of the Classification Act.

Section 303 (a) allocates the positions of seven directors of commodity offices, Commodity Stabilization Service, Department of Agriculture, to grade 16 of the General Schedule of the Classification Act.

Section 303 (b) authorizes the allocation of three positions in the Agricultural Research Service, Department of Agriculture, to grade 18 of the general schedule of the Classification Act.

Section 304 establishes the new position of Federal Highway Administrator as the head of the Bureau of Public Roads in the Department of Commerce. Appointment to the position is by the President by and with the advice and consent to the Senate. The salary of the position is to be at the rate prescribed by law for assistant secretaries of executive departments.

The section provides also for a Commissioner of Public Roads who shall be appointed by the Secretary of Commerce, who shall perform such duties as may be prescribed by the Federal Highway Administrator.

Section 305 provides that the difference between fourth-class mail income and estimated fourth-class mail costs must be more than 10 percent before the Postmaster General is required to request changes in such rates before the Interstate Commerce Commission.

#### TITLE IV—CIVIL SERVICE RETIREMENT

Section 401 amends the Civil Service Retirement Act in its entirety. The basic changes made in each section of the Retirement Act as rewritten are as follows:

##### SECTION 1. DEFINITIONS

Various terms used throughout the existing law are accompanied either by definitions or by reference to a section which defines them. In other instances, regulations, precedent, and administrative rulings are relied upon for the meaning of the terms used.

Present meanings of terms are changed as follows:

##### *Section 1 (b)*

1. "Member [of Congress]" presently includes only a Senator, Representatives in Congress, Delegate from a Territory, and the Resident Commissioner from Puerto Rico. The bill includes the Vice President within this definition, so as to extend to that officer for the first time the option of participating in the retirement system on the same basis as a Member of Congress.

##### *Section 1 (d)*

2. "Basic salary" is defined under present law to permit the use of military pay in the computation of retirement benefits. The bill would bar the use of military pay for this purpose in the case of those hereafter entering the military service. This change is proposed because it is deemed inappropriate to permit the rate of annuity upon retirement from a civilian position to be based upon pay from a source other than civilian employment.

(NOTE.—This change in no way relates to or changes the present law and practice of crediting military service for retirement purposes.)

*Section 1 (e)*

3. "Average salary" for computing the annuities of all officers and employees except Members of Congress is presently the annual average of basic salary received during any 5 consecutive years of allowable service the individual may choose. For Members of Congress it presently consists of the annual average of all salary received for service being credited which was performed on or after August 3, 1946, up to date of separation. The bill, by definition of this term, requires that the annuities of all officers and employees, including Members of Congress, be based on an annual average of basic salary received during the highest 5 consecutive years of allowable service. This deletes the option to choose any other 5 consecutive year service period as the average salary base and, in effect, repeals the existing average salary concept for annuities of Members of Congress, established originally in the Legislative Reorganization Act of 1946.

*Section 1 (j)*

4. "Child" is defined under present law to allow automatic survivor annuity benefits to certain unmarried surviving children who are over age 18, if incapable of self-support by reason of physical or mental disability. The bill continues the present law in this regard, but adds the further condition that such child's disabling condition must have been incurred prior to age 18, in order to be eligible for the annuity.

*Section 1 (l)*

5. Under present law, lump-sum payments include retirement deductions, sums deposited by an employee or Member and interest on such deductions and deposits to the date of separation or to the date of entitlement to a deferred annuity or date of death, whichever is earlier except that no interest accrues if the service covered thereby aggregates 1 year or less. The bill defines "lump-sum credit" to end the practice of crediting interest after December 31, 1956, on the theory that to provide the protection afforded by the act as amended by the bill, and at the same time allow interest on deposits made for the purpose of obtaining protection amounts to dual benefits unwarranted by the circumstances. The bill makes no change in the crediting of interest in the case of persons separated with less than 5 years of service.

SECTION 2. COVERAGE

*Section 2 (b)*

Existing law excludes from coverage "elective officers in the executive branch of the Government." The bill, to avoid a conflict of provisions in its extension of retirement coverage and benefits to the Vice President, makes this specific exclusion applicable simply to "the President." Judges of the United States (as defined in sec. 451, title 28, U. S. C.) are not now specifically excluded. Contrary to the view of the Commission, the judicial conference in March 1950 expressed the opinion that these judges are not subject to the act. The bill clarifies their status by specifically excluding them.

*Section 2 (e)*

Under present law the President has authority to exclude executive branch employees whose tenure is intermittent or of uncertain dura-

tion. This authority has been delegated to the Civil Service Commission by Executive Order 10530. The bill confers this authority directly upon the Civil Service Commission, adding similar authority as regards District of Columbia employees where the District of Columbia Commissioners so recommend, but in all cases subject to the restriction that no employee shall be excluded from coverage who has had more than 12 months' continuous service.

*Section 2 (g)*

Provides for coverage under the Retirement Act of United States commissioners who receive annual compensation of at least \$3,000 for a period of at least 3 consecutive years.

SECTION 3. CREDITABLE SERVICE

*Section 3 (a)*

At present, all periods of separation from the service are excluded from credit for retirement purposes. The bill would exclude only those periods of separation which exceed 3 days. Most of the breaks in service of 1 or 2 days are the result of misunderstanding or clerical error where a transfer takes place over a weekend. This change is made primarily to improve and simplify the administration of the act.

*Section 3 (g)*

Existing law requires at least 1 year of creditable civilian service subject to the act within the 2-year period preceding separation before any title to annuity may exist based upon the separation; failure to meet this requirement does not take away any annuity right which may have existed based upon a previous separation. The bill continues this requirement in effect on a modified basis; it would no longer apply in case of separation by reason of death or on account of disability.

SECTION 4. DEDUCTIONS AND DEPOSITS

*Section 4 (a)*

Effective from the first day of the first pay period beginning after December 31, 1956, the bill raises the rate of retirement deductions for employees covered by the act from the present 6 to 7 percent of basic salary. The bill also newly requires that effective from the first day of the first pay period beginning after June 30, 1957, each department or agency shall contribute to the retirement fund amounts equal to the deductions currently withheld from the salaries of its employees, including Members of Congress, subject to the act. Special provision is made that amounts contributed by the Post Office Department under this subsection are not to be considered as costs of providing postal service, for the purpose of establishing postage rates. The contribution of Members is increased from 6 to 8 percent.

*Section 4 (d)*

Under present law when an employee in a position subject to another retirement system transfers to a position subject to the Civil Service Retirement Act, he receives credit for time in the first position whether or not he makes an appropriate deposit to the retirement fund for such period of time.

The bill requires each Member or employee who had received a refund of retirement deductions under another retirement system to redeposit such refund with interest before any credit would be allowed

under the Retirement Act for service covered by the refund. Adoption of this provision will prevent employees from receiving windfalls under certain conditions.

*Section 4 (e)*

Under existing law no interest is required covering periods of separation from the service in the case of deposits made by employees to cover periods for which no deductions were made or for which a refund was received. The bill provides that interest must be paid for periods of separation from the service as well as for periods of service. Interest would thus be charged for all periods during which the employee enjoyed the use of the money. The retirement fund would be earning interest on the money if it had been deposited into the fund.

SECTION 5. MANDATORY SEPARATION

Section 5 makes no changes in existing law.

SECTION 6. IMMEDIATE RETIREMENT

*Section 6 (c)*

Under existing provisions relating to the retirement of employees whose duties are primarily the investigation, apprehension, or detention of persons suspected or convicted of offenses against the criminal laws of the United States, the Civil Service Commission is required to give full consideration to the degree of hazard to which the employee is subjected in the performance of his duties, rather than the general duties of the class of the position held by the employee. Under the bill the head of a department or agency would likewise be required to give consideration to these factors in recommending retirement of an employee under these provisions.

*Section 6 (d)*

Under present law a void exists with respect to employees with 20 or more years but less than 25 years of service who are involuntarily separated through no fault of their own. Employees who have over 20 years of service cannot withdraw their deposits from the retirement fund and because they have less than 25 years of service, they do not have entitlement to an immediate annuity. The bill proposes to alleviate this situation by providing an immediate annuity on a reduced basis to employees involuntarily separated who have attained the age of 50 years and have rendered 20 years of service.

SECTION 7. DISABILITY RETIREMENT

*Section 7 (a)*

Under present law an employee who completes 5 years of civilian service or a Member with 5 years' Member service may be retired due to disability. However, under existing law an employee cannot be retired due to disability if he is eligible for immediate retirement by reason of age and length of service. Thus, a situation exists under which departments may retire employees who become disabled before reaching retirement age but cannot retire disabled employees who have attained retirement age. The bill permits disability retirement in any case where the disabled employee or Member meets the minimum service requirements for annuity.

*Section 7 (b)*

In the interest of administrative simplicity, the bill makes some technical changes in regard to the filing of applications for retirements due to disability.

*Section 7 (d)*

Under present law the annuity of a disability annuitant who recovers before reaching age 60 is discontinued. The bill provides that if the earning capacity of such an annuitant is restored to a level fairly comparable to the current rate of pay for the position held immediately prior to retirement, his annuity shall be discontinued even though he has not attained complete recovery from a medical viewpoint.

*Section 7 (e)*

Under existing law if a disability annuitant recovers and is unable to obtain reemployment or for any other reason does not return to service under the act, he is considered as having been separated from service as of the date of his retirement for disability and entitled only to a deferred annuity at age 62. The bill modifies this provision so that a disability annuitant who recovers or is restored to earning capacity before he attains age 60 will be considered (except for service credit) as having been involuntarily separated from the service upon termination of the disability annuity. This change would permit the granting of immediate annuity if the employee is otherwise entitled.

## SECTION 8. DEFERRED RETIREMENT

*Section 8 (a)*

Under existing law an employee subject to the Retirement Act who transfers to a position not within the purview of the act retains no annuity rights; he has title to a refund only, regardless of his length of service. The bill extends to any such transferee with 5 or more years of civilian service the right to a deferred annuity at age 62 if he does not draw a refund.

*Section 8 (b)*

A Member of Congress now has title to deferred annuity at age 62 if separated with at least 6 but less than 10 years of Member service; a Member separated with 10 or more years of Member service may receive a reduced annuity when he reaches age 60. A Member transferred to a position not within the purview of the Retirement Act has title to a refund only, regardless of length of service.

The bill provides that a Member separated from the service after completing 5 years of service may be paid a deferred annuity beginning at age 62.

## SECTION 9. COMPUTATION OF ANNUITY

*Section 9 (a)*

Under present law the rate of annuity for employees generally is computed on the basis of 1½ percent of average basic salary times the number of years of service, or on the basis of 1 percent plus \$25, multiplied by the number of years of service, whichever is to the advantage of the employee. The 1 percent plus \$25 formula is favorable to employees whose average basic salary is not in excess of \$5,000 while the 1½ percent formula is used where the average salary is in excess of \$5,000. In either case, the total annuity of an employee,



irrespective of his length of service, may not exceed 80 percent of his average basic salary.

The bill retains the present formula for employees generally in respect to the first 5 years of service, and raises the computation base for the years of service in excess of 5. Under the bill the annuity is (a) 1½ percent, or \$25 plus 1 percent, of the average salary for the highest 5 consecutive years of all service multiplied by not more than 5 years of service, and (b) 2 percent, or \$25 plus 1 percent, of the highest 5-year average salary multiplied by all years of creditable service in excess of 5. The maximum on basic annuity is still 80 percent of the highest 5-year average salary.

The present law contains no minimum for a total disability annuity. The bill provides that the annuity of any employee retired due to total disability after meeting the 5-year eligibility requirement be at least (1) 40 percent of his average salary, or (2) the amount obtained after increasing his total service by the period elapsing between the date of his separation due to the disability and the date he attains the age of 60 years, whichever is the lesser. However, it is not intended that the provision shall serve to increase the benefits of the annuitant's survivors. Section 9 (b) extends these minimum disability benefits to congressional employees and section 9 (c) extends them to Members.

*Section 9 (b)*

The bill makes no changes in the annuity computation formula for congressional employees, except that the 1½ percent figure applicable to noncongressional service would be changed to 2 percent for all such service in excess of 5 years, in line with the change discussed under subsection (a) applicable to employees generally.

*Section 9 (c)*

The annuity computation formula for a Member of Congress would remain as at present except that (a) the 1½ percent figure applicable to noncongressional service performed prior to a separation from Member service would be changed to 2 percent for all years of such service in excess of 5, in line with the change discussed under subsections (a) and (b) for other officers and employees, and (b) the maximum basic annuity for a Member would be changed from 75 percent of final salary as a Member, to 80 percent.

*Section 9 (d)*

Under existing law an employee retiring prior to attainment of age 60 is required to take a reduction of one-fourth of 1 percent in his earned annuity for each full month he is under age 60 at the date of his separation.

The bill would lower the reduction formula to one-twelfth of 1 percent per month for each month up to 60 and one-sixth of 1 percent per month for each month in excess of 60 the employee is under the age of 60 at the time of his retirement.

*Section 9 (f)*

Under existing law an employee retiring on an immediate annuity with at least 15 years of service may elect a joint and survivorship annuity in favor of the surviving wife or husband. The bill changes the service prerequisite to a joint and survivorship election by an employee from 15 years to 5.

At the present time only an employee retiring on immediate annuity can elect a joint and survivorship annuity. The bill extends this right to employees receiving deferred annuities. It was felt that since employees entitled to deferred annuities contributed to the retirement fund at the same rate as other annuitants, and since they receive annuities computed in precisely the same manner as other annuitants, they should be entitled to provide the same protection to their survivors as other annuitants.

Under present law when an annuitant makes a joint and survivorship election he is required to take a reduction of 5 percent on the first \$1,500 of his annuity and 10 percent on all in excess thereof. The bill reduces the reduction on the first \$2,400 of the annuity to 2½ percent but leaves the 10-percent penalty on any amount in excess thereof.

The bill also permits an employee at the time of his retirement to designate the portion of his earned annuity upon the basis of which his survivor's annuity is to be computed.

*Section 9 (g)*

Under existing law the election of a joint and survivorship annuity by an unmarried annuitant carries with it a reduction of 10 percent plus 5 percent for each full 5 years the survivor is younger than the retiring employee except that the reduction for the 5-year span between 25 and 30 years is 10 percent. The bill changes this reduction for a joint and survivorship annuity to 10 percent plus 5 percent for each full 5 years the survivor is younger than the retiring employee with a maximum reduction of 40 percent.

*Section 9 (i)*

The bill retains the existing special annuity formula of 2 percent of high 5-year average salary times years of service for early optional retirement of investigative employees, but changes the maximum annuity provision under it from a limitation of 30 years on allowable service, to the 80 percent of high 5-year average salary maximum applicable to employees generally.

SECTION 10. SURVIVOR ANNUITIES

*Section 10 (a) (1)*

Under existing law, upon the death of any annuitant who elected the joint and survivorship annuity the widow or widower designated at the time of the annuitant's retirement is entitled to an annuity equal to one-half of the annuitant's earned annuity beginning on the first day of the month following the survivor's attainment of age 50, or on the first day of the month in which the annuitant's death occurs if the survivor is then 50 years of age or over, and is payable until the survivor remarries or dies.

Also, under existing law, upon the death of any male annuitant who was eligible to elect a joint and survivorship annuity and who is survived by a widow and children, an automatic immediate annuity is paid to the widow—regardless of whether or not the annuitant made such an election. This automatic annuity—to widows with dependent children—terminates when the widow reaches age 50, remarries, or dies, whichever occurs first. If the annuity is terminated by virtue of the widow having reached age 50, she receives no further

benefits unless the annuitant elected a joint and survivorship annuity at the time of his retirement.

The bill provides an automatic immediate survivor's annuity to the surviving wife or husband of every employee or Member of Congress who dies after having retired under any provision of the bill, if such surviving spouse was married to the annuitant at time of his or her retirement. The survivor's annuity is one-half of so much of the deceased annuitant's earned annuity as was designated by the annuitant for such purpose at the time of his retirement.

*Section 10 (a) (2)*

This subsection establishes the first of the month in which annuitant dies as the commencing date of the immediate survivor's annuity. It continues in effect the provision that the annuity shall terminate upon the survivor's death or remarriage.

*Section 10 (c)*

Under existing law, an automatic annuity, equal to 50 percent of the employee's or Member's earned annuity, is paid to the widow of an employee, or to the widow or widower of a Member, who dies after 5 years of civilian service.

The bill continues without change the automatic annuity to widows of both employees and Members and extends similar benefits to widowers of employees but requires that in either the case of an employee or Member the surviving widower must be a "dependent widower" to be eligible for such annuity. Annuities to spouses under this provision terminate upon death or remarriage of the widow or widower, or upon the widower's becoming capable of self-support.

*Section 10 (d)*

Automatic annuities are also paid under existing law to surviving dependent children upon the death of (1) an employee or Member with 5 or more years of service, (2) an employee annuitant retired under any provision except a deferred annuity, or (3) a Member retired for any reason. Except in the case of a female Member, no automatic annuity is paid to children of a female employee if a widower survives. If both an entitled spouse and child or children survive, each child is entitled to an annuity which is (1) 25 percent of the annuitant's regular earned annuity, (2) \$900 divided by the number of surviving children, or (3) \$360, whichever is least. If no entitled spouse survives, the annuity for each child is equal to (1) 50 percent of the annuitant's earned annuity, (2) \$1,200 divided by the number of surviving children, or (3) \$480, whichever is least. A child's annuity begins on the first day of the month after the employee or Member (or annuitant) dies and terminates upon the child's death, marriage, or attainment of age 18 (unless the child is incapable of self-support, in which event his becoming capable of self-support terminates the benefit). Upon the death of the widow or entitled widower, or the termination of annuity to a child, the annuities of the remaining child (or children) are recomputed.

The bill provides, in addition to benefits under existing law, for the payment of children's annuities where there is a surviving widower, provided such widower was dependent upon the employee or annuitant for his support.

Children's benefits are raised by the bill. Where a widow or dependent widower survives, each child receives an annuity equal to the

smallest of (1) 40 percent of the employee's or Member's average salary divided by the number of children, (2) \$600, or (3) \$1,800 divided by the number of children. Where the employee or Member of Congress leaves no widow, or widower, each child's annuity is equal to the smallest of (1) 50 percent of the employee's or Member's average salary divided by the number of children, (2) \$720, or (3) \$2,160 divided by the number of children.

## SECTION 11. LUMP-SUM BENEFITS

*Section 11 (a)*

The bill authorizes refund of the lump-sum credit to any employee separated with less than 20 years of civilian service, whereas present law authorizes such refund of the retirement account only provided the employee is not eligible for optional retirement (age 62 or over with 15 or more years of service) at time of separation.

## SECTION 12. ADDITIONAL ANNUITIES

Members of Congress now have the privilege of making voluntary contributions to purchase additional annuity. However, the amount of such additional annuity in each case is determined by applying an actuarial factor based upon the retiring Member's age and sex.

The bill grants Members of Congress the privilege of making voluntary contributions to purchase additional annuity at the rate of \$7 per each \$100 so credited, with the \$7 increased by 20 cents for each full year the Member is over age 55 at date of retirement, thereby placing them in the same position in this respect as employees generally. No other change in existing law is made by section 12.

## SECTION 13. REEMPLOYMENT OF ANNUITANTS

*Section 13 (a)*

Present law provides that no annuitant may be reappointed to any Government position after attaining age 60 unless the appointing authority determines that he has special qualifications.

Section 13 (a) provides that annuitants may be reemployed in any position for which they may be qualified and serve at the will of the appointing officer.

*Section 13 (b)*

The bill provides that if an annuitant is reemployed in an appointive or elective position subject to the Retirement Act, annuity payments shall be discontinued during such employment and deductions for the retirement fund withheld from his salary. It provides further that if the former annuitant performs actual full-time service for a period of at least 1 year, his right to future annuities shall be redetermined. If the annuitant does not perform actual full-time service for at least a year his annuity payments are resumed without change and the deductions made from his salary for the retirement fund during such period are refunded to him.

*Section 13 (c)*

Under present law if a retired Member is reemployed other than as a Member, his annuity is continued in addition to his salary. How-

ever, if he resumes service as a Member, his annuity is suspended. Upon subsequent retirement, his annuity is resumed in the amount or, if he contributed to the retirement fund during the additional service, the additional service is considered in recomputing his annuity rights.

The bill suspends a former member's annuity during any period of reemployment in a position subject to the act.

#### SECTION 14. PAYMENT OF BENEFITS

The bill makes no change in this section, which relates to the mechanics of paying benefits under the act.

#### SECTION 15. EXEMPTION FROM LEGAL PROCESSES

##### *Section 15 (b)*

Under present law the Commission in its discretion may waive recovery of any overpayment of annuity when the recipient acted in good faith.

The bill retains the provision and extends the right of the Commission to waive recovery from a recipient to lump-sum payments. Recovery of lump sums can be just as inequitable as recovery of annuity payments.

#### SECTION 16. ADMINISTRATION

The bill makes no change in the existing general administrative provisions.

#### SECTION 17. CIVIL SERVICE RETIREMENT AND DISABILITY FUND

##### *Section 17 (d)*

Under present law currently available portions of the retirement fund as are not immediately required for payments from the fund are invested by the Secretary of the Treasury in securities of the United States. The law does not fix the interest rate for such securities. Most of the fund is invested at an interest rate of 3 percent.

The bill continues the authority of the Secretary of the Treasury to invest in securities of the United States, and provides for the issuance for purchase by the fund of public debt obligations bearing interest at the average rate (rounded to the nearest  $\frac{1}{8}$  of 1 percent) borne by other public debt obligations having maturities at least 5 years after date of issue. Such obligations would be issued only if the Secretary found that purchase in the market of other Government obligations is not in the public interest.

#### SECTION 18. SHORT TITLE

Section 18 provides that the amended act may be cited as the "Civil Service Retirement Act."

Section 402 of the bill abolishes the special retirement system for civilian teachers at the Naval Academy and covers them under the Civil Service Retirement Act.

Section 403 of the bill carries out the purpose of S. 59 passed by the Senate July 19, 1955. The effect of section 3 is to make effective as

of April 1, 1948, certain benefits effective September 30, 1949. The Civil Service Retirement Act, as amended effective April 1, 1948, authorizes a husband, at the time of his retirement, to elect a survivorship annuity payable to his widow equal to 50 percent of the annuity otherwise payable to him. To obtain the benefit of this provision, the husband was required to take a reduction of 10 percent in the annuity payable to him. The act of September 30, 1949, reduced the reduction on the first \$1,500 of the husband's annuity from 10 to 5 percent for those who retired after such date.

Section 404 of the bill provides that the rights of persons separated prior to the effective date of this act shall continue in the same manner and to the same extent as if the act had not been enacted.

Section 405 of the bill provides that the current Vice President may elect retirement coverage on January 1, 1957, or within 15 days thereafter. In case of such election, his past service as Vice President shall be considered as covered service for the purpose of fulfilling the annuity title requirement of at least 1 year of covered service within the 2-year period preceding separation.

Section 406 of the bill declares it is the policy of Congress to correspondingly adjust the annuities of retired employees in the future, whenever any general adjustment is made in the salaries of Government employees. This would not operate to automatically raise or lower annuities with salary changes, but Congress must act specifically in each instance.

Section 407 of the bill amends the act of September 1, 1954 (Public Law 769, 83d Cong.), which prohibits payment of annuity or retired pay based on the service of individuals convicted of certain enumerated crimes against the United States or found responsible for certain other improper acts or omissions. The amendment extends this act to prohibit payment of annuity or retired pay in any case where the individual has been indicted for any of the enumerated Federal crimes and willfully, with knowledge of the indictment, remains outside the United States, its Territories and possessions, in excess of a year. The prohibition on benefit payments would be effective at the end of the 1-year period and would remain in force until entry of a nolle prosequi to the entire indictment, or until the individual returns and thereafter the indictment is dismissed or the accused is found not guilty under it.

Section 408 of the bill establishes January 1, 1957, as the effective date of the act.

Section 409 provides that the bill may be cited by short title as the "Civil Service Retirement Act Amendments of 1956."

#### TITLE V—ADDITIONAL SCIENTIFIC POSITIONS

Section 501 amends subsections (a) and (b) of the first section of Public Law 313, 80th Congress, and adds two additional subsections, so as to—

1. Increase from 45 to 275 the number of scientific positions available to the Department of Defense; and provide 50 such positions for the National Security Agency. Authority for establishing and fixing the compensation for all these positions (subject to approval by the Civil Service Commission) would be vested in the Secretary of Defense, contrary to present law which vests

such authority in the Secretary of Defense for 6 positions, and in the Secretary of each military department for 13 positions.

2. Increase from 10 to 60 the number of scientific and professional positions available to the National Advisory Committee for Aeronautics.

3. Provide 10 scientific and professional positions for the Department of the Interior.

4. Provide 35 scientific and professional positions for the Department of Commerce.

5. Protect the incumbents and the compensation for positions established previously by the Secretaries of Army, Navy, and Air Force, until action is taken by the Secretary of Defense under the new authority.

6. Require annual reports to the Congress from agencies establishing scientific and professional positions, showing—

(a) Number of positions established or in existence during the year;

(b) Information with respect to the incumbents of these positions and their duties; and

(c) Such other information as deemed appropriate, or requested by Congress.

#### CHANGES IN EXISTING LAW

Compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate has been omitted inasmuch as it is necessary, in the opinion of the committee, to dispense with the requirements of such subsection to expedite the business of the Senate.

